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## Biotech in valley not so incredible

<http://www.modbee.com/business/story/802973.html>.

By David W. Hill

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The Northern San Joaquin Valley could be home to biotechnology firms employing thousands of area residents in all kinds of science and technology jobs.

As a hub for biotechnology research and development, Stanislaus, San Joaquin and Merced counties would finally have the economic diversity to more effectively cope with economic downturns, even recessions.

High schools, community colleges, and private and public universities could be a conduit for these industries, supplying young people with strong backgrounds in science, technology and related fields.

The research and development new biotech companies bring to the region could benefit business, opening up markets and opportunities with new processes and new products. Businesses new and old could prosper.

Sound good? Sure. But it won't happen soon and it won't be easy.

That was the assessment of Bay Bio, a nonprofit trade association serving the life science industry in Northern California, at a recent meeting with the Stanislaus Economic Development and Workforce Alliance. At that gathering, a report on the viability of bringing biotech to the valley by Frost & Sullivan, a business research and consulting firm, was presented.

Bill Bassitt, chief executive officer of Workforce Alliance, said biotech was identified three years ago as an industry that could give the valley much-needed economic diversity. A coalition

representing Stanislaus, Merced and San Joaquin counties was formed, and Bay Bio was brought on board to help figure out what it would take to make the biotech dream happen.

Plenty, as it turns out.

Education, no surprise, is the biggest challenge. The report points out that the number of valley residents with bachelor's degrees and advanced degrees are roughly half the state average. It found that 50 percent of the area's college freshmen need some sort of remedial help and that English proficiency is an issue for many students moving from high school to college.

Perhaps the most troubling finding is the lack of student and family awareness of the importance of education. Young people who do place a premium on it typically leave the area to find work. How's that for a lose-lose situation?

The report found other weaknesses in the valley: difficulty in coordinating the three-county coalition, fallout from the state's budget crisis, no new funding for biotech initiatives at the county level, a drop in East Bay commercial real estate rates, and the desire of firms to locate near the Bay Area biotech hub and a cluster of higher education institutions.

Sounds pretty grim for us poor valley folks.

But not so fast, says the report. The three valley counties aren't without some pluses.

For example, they are stronger by combining their efforts. Also, its younger population with improving academic test scores is something to build on. Some high school and post-secondary life science training programs are in place. Several strong companies could help create a culture that promotes startups. Testing and quality control are growing business sectors.

Don't overlook the valley's improving housing affordability (albeit thanks to foreclosures), family-friendly communities, lack of traffic congestion and more favorable commute times.

Matthew M. Gardner, chief executive officer of Bay Bio, said the focus on attracting biotech firms and jobs to the valley isn't farfetched, despite some of the region's drawbacks.

"What the report tried to emphasize," Gardner said, "is the need for the counties to approach this goal with a thoughtful and sustained approach. They need to think in terms of decades, not quarters or months."

For an area with almost 17 percent unemployment, that seems like a long time to wait. But in terms of changing the way an entire region approaches education and economic development, it probably isn't.

There's no way this initiative can soften the blow of this recession, but it could ease the next one or the one after that or the one after that.

It's a mistake to think it can't happen here. Gardner said the region has enough going for it to attract biotech firms, with its low land costs, reasonable power rates and pool of relatively cheap, if unskilled, labor. Biotech firms have located in areas around the globe with a lot less to offer.

The more the region does to address some of the issues outlined in the report, the better its chances of attracting biotech and the more likely it will arrive sooner than later.

Sure, it will take time, patience, vision and even some venture capital -- things that might seem in short supply here until you consider the region is home to J.S. West, E.&J. Gallo Winery, Hilmar Cheese, Prime Shine Express, Save Mart Supermarkets, Duarte Nursery or 5.11 Tactical.

The same spirit and determination that built those businesses are testament to what the valley's entrepreneurial spirit can create. Why not a vibrant biotech industry?

If the worst thing that comes out of this effort is improving the education of the region's children, that's not a bad thing. After all, isn't the point to give them the tools to make a better way in the world?

Who knows, they might even make a better world.

**Bee business editor David W. Hill can be reached at [dhill@modbee.com](mailto:dhill@modbee.com) or 578-2336.**